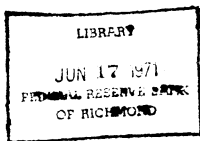


June 9, 1971 No. 509

H-13 Division of International Finance Europe and British Commonwealth Section



1 Bd. of Gov. . . .
Capital Market H-13

SELECTED INTEREST & EXCHANGE RATES FOR MAJOR COUNTRIES & THE U.S.

WEEKLY SERIES OF CHARTS

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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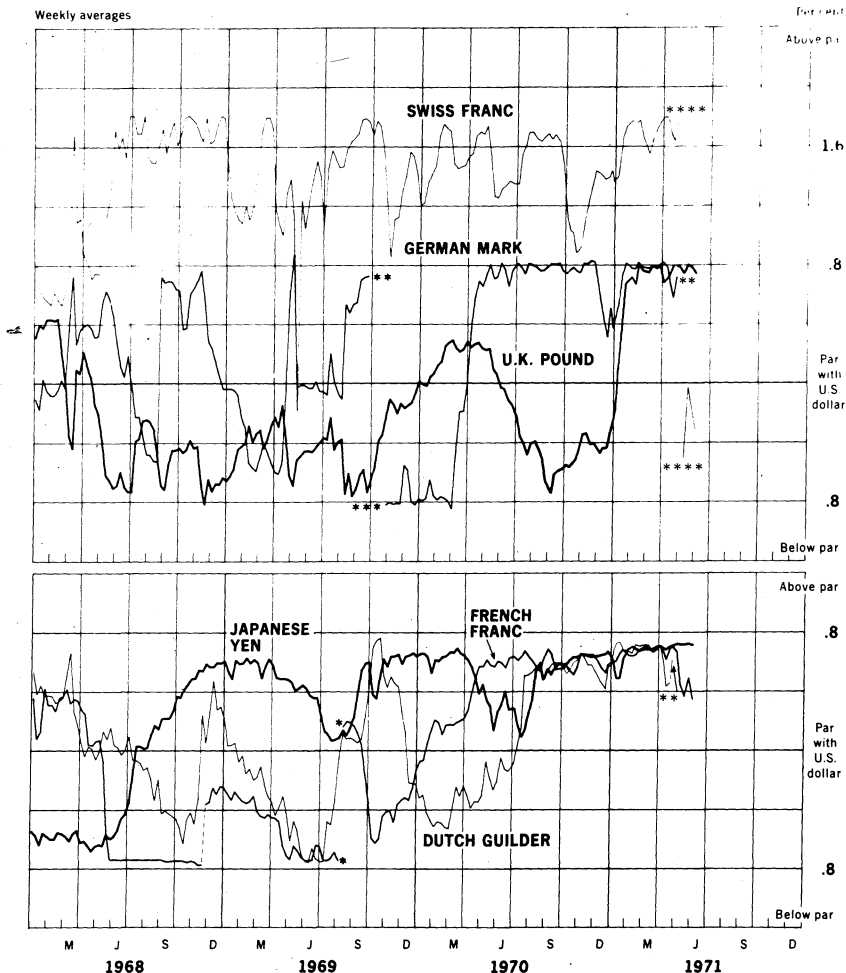
NOTE: This series is a continuation of the CAPITAL MARKETS DEVELOPMENTS ABROAD, which was published under that title through December 31, 1968. The changes in the format and order of the charts are explained in the Supplement to the series, which accompanied issue dated January 1, 1969. All series and their sources are fully described in a Supplement dated April 7, 1971.

NOTE: An Appendix explaining the new series plotted on Chart 1B is attached to this issue.

Chart 1A

SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

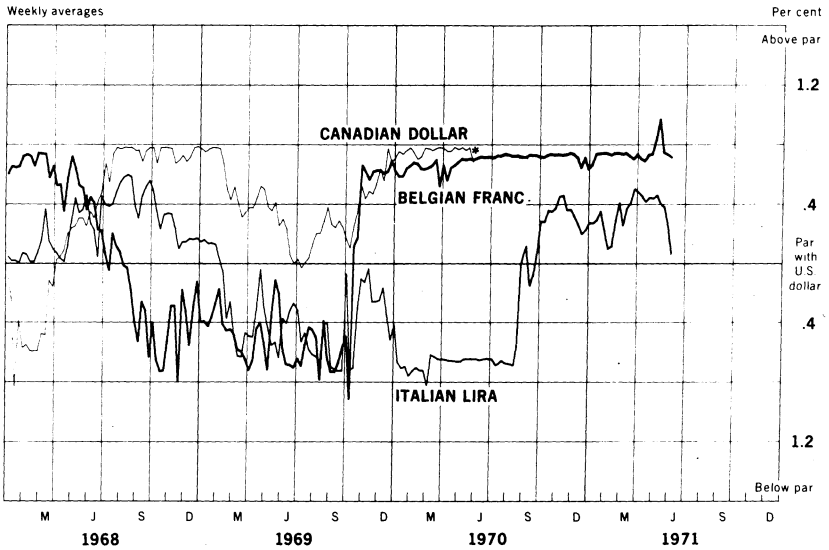
Weekly averages



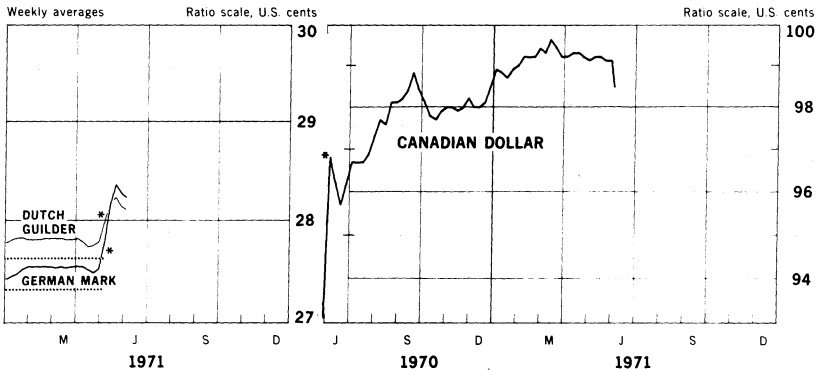
- * Devaluation of the French franc from 4.94 to 5.55 for \$1.00.
- ** Rate not supported by Central Bank.
- *** Revaluation of the DM from 25.00 to 27.32 in U.S. cents.
- **** May 10, 1971 - Swiss franc revalued; new par 24.485 U.S. cents.

Chart 1B

SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR



CURRENCIES WITH FLOATING EXCHANGE RATES

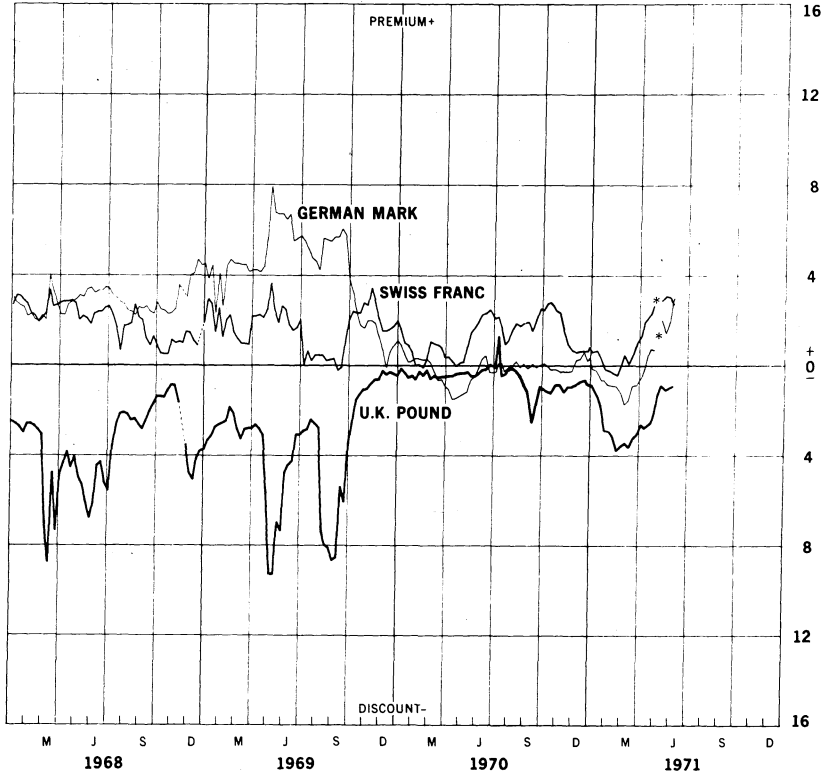


*Rate not supported by Central Bank

3-MONTH FORWARD EXCHANGE - MAJOR CURRENCIES AGAINST U.S. DOLLAR

Weekly averages

Per cent per annum



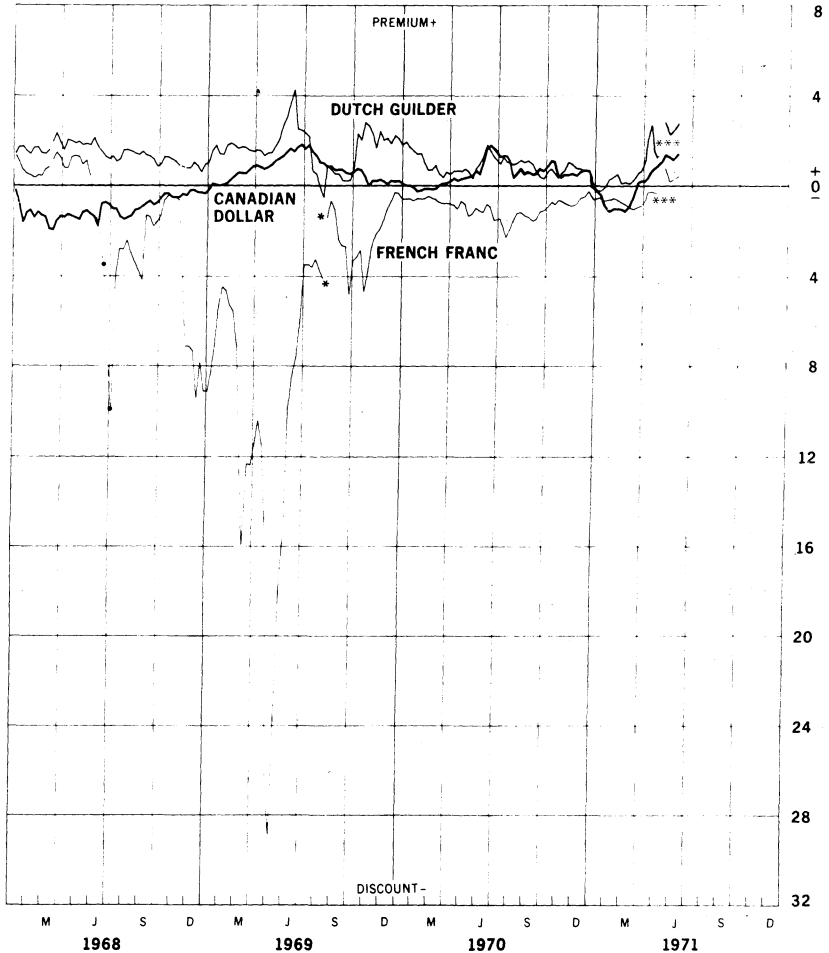
* No quotation.

Chart 2B

3-MONTH FORWARD EXCHANGE - MAJOR CURRENCIES AGAINST U.S. DOLLAR

Weekly averages

Per cent per annum



* Devaluation of the French franc from 4.94 to 5.55 for \$1.00.

** Can. \$ rate not supported by Bank of Canada.

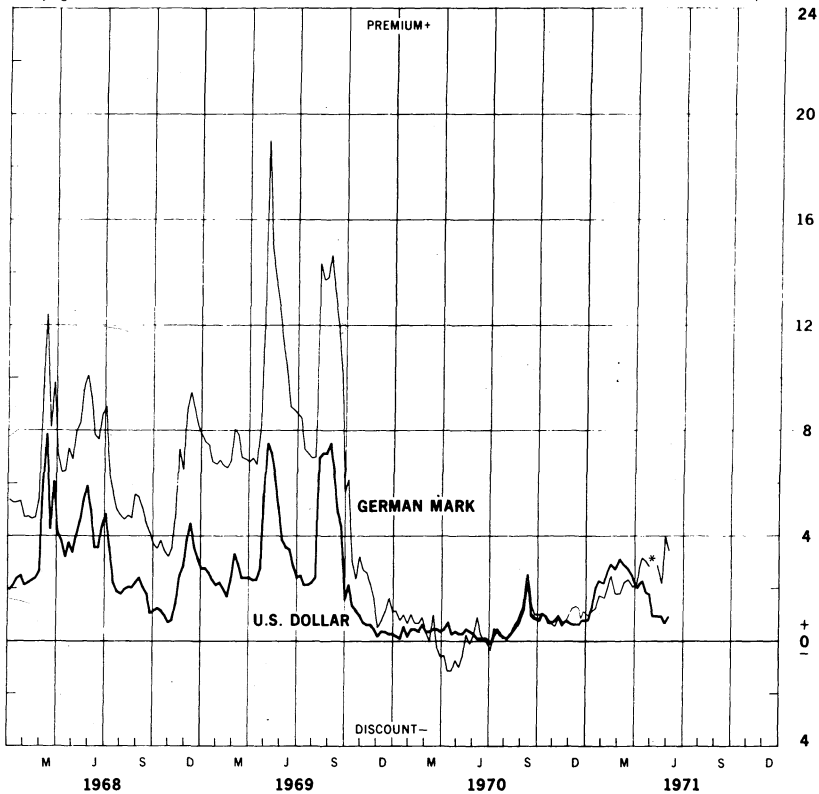
*** No quotation

Chart 3A

3-MONTH FORWARD EXCHANGE - MAJOR CURRENCIES AGAINST U.K. POUND

Friday figures

Per cent per annum



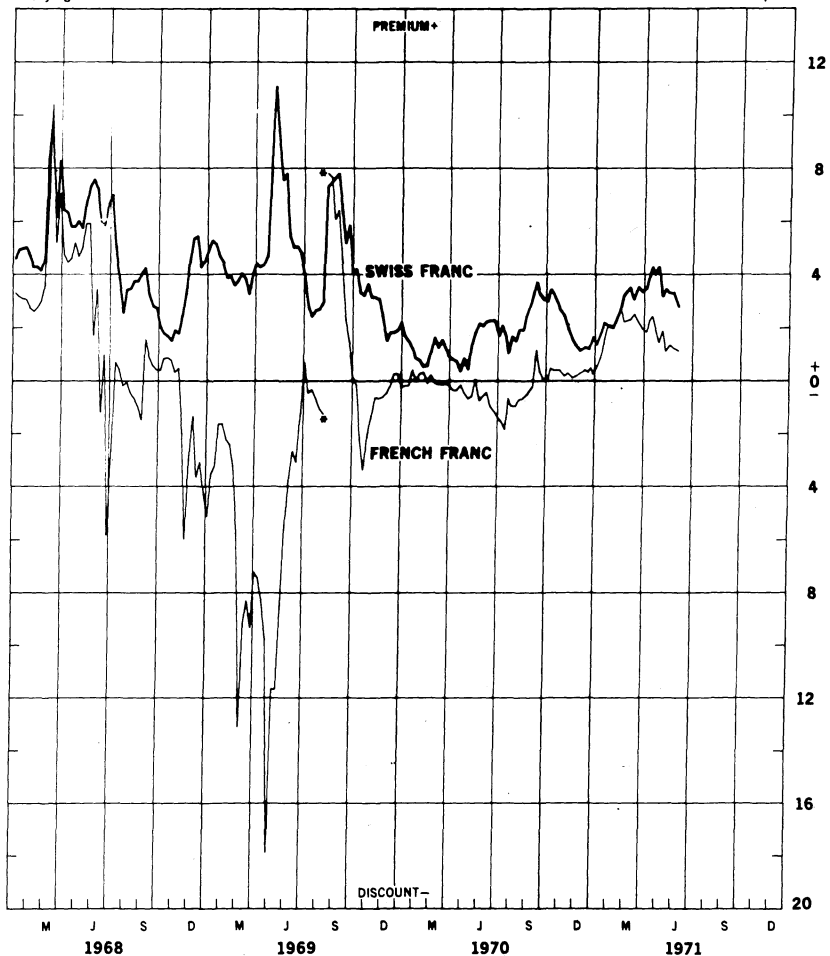
* No quotation.

Chart 3B

3-MONTH FORWARD EXCHANGE - MAJOR CURRENCIES AGAINST U.K. POUND

Friday figures

Per cent per annum



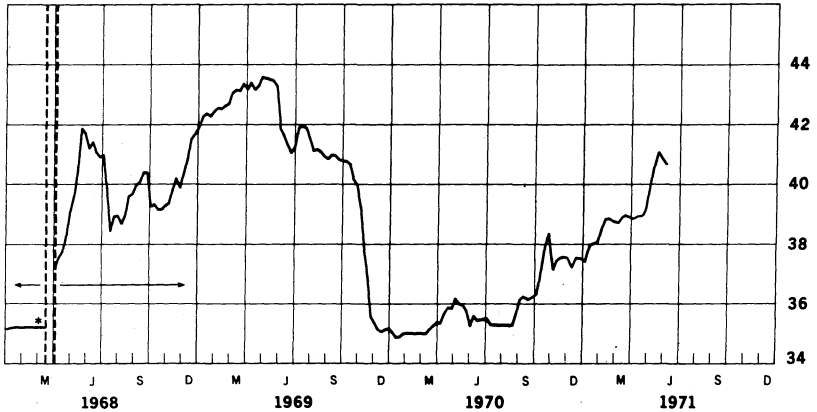
* Devaluation of the French franc from 4.94 to 5.55 for \$1.00

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

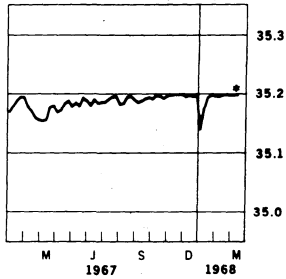
Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



MARKET SUPPORTED BY GOLD POOL

U.S. dollar equivalent per fine ounce



* Market closed March 15-April 1, 1968

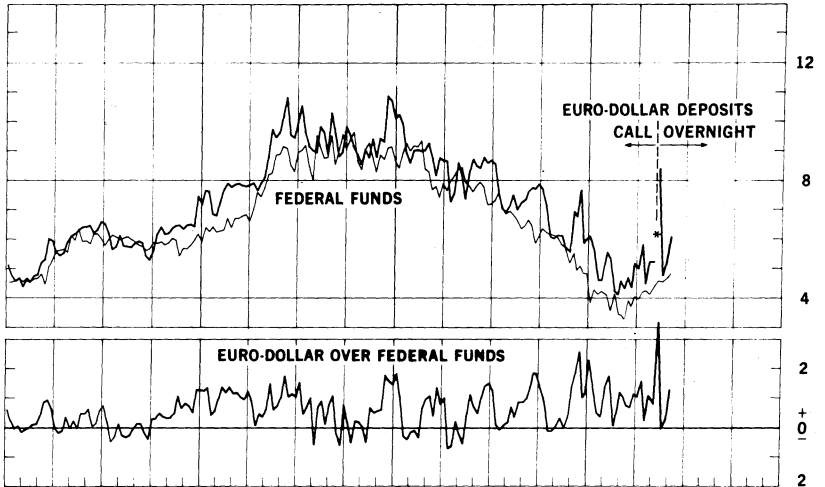
CHART 5A

CALL MONEY RATES

DOLLAR FUNDS

Weekly averages

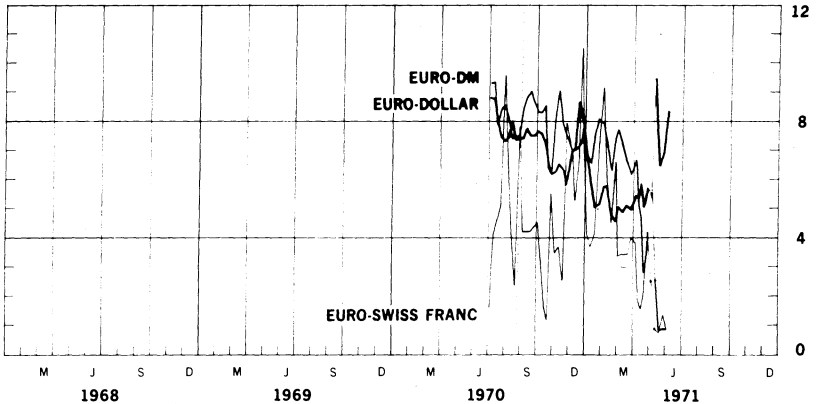
Per cent per annum



EURO-CURRENCIES

Weekly averages

Per cent per annum



* May 10, 1971 - Changed to Overnight Euro \$ Deposits

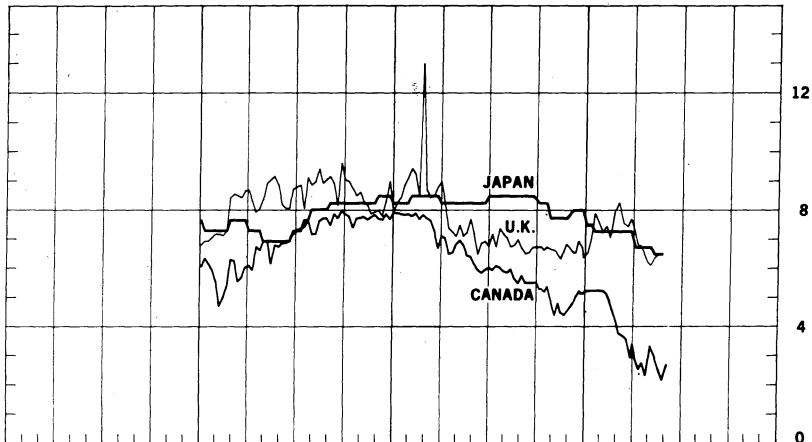
Chart 5B

CALL MONEY RATES

FOREIGN CURRENCIES*

Friday figures

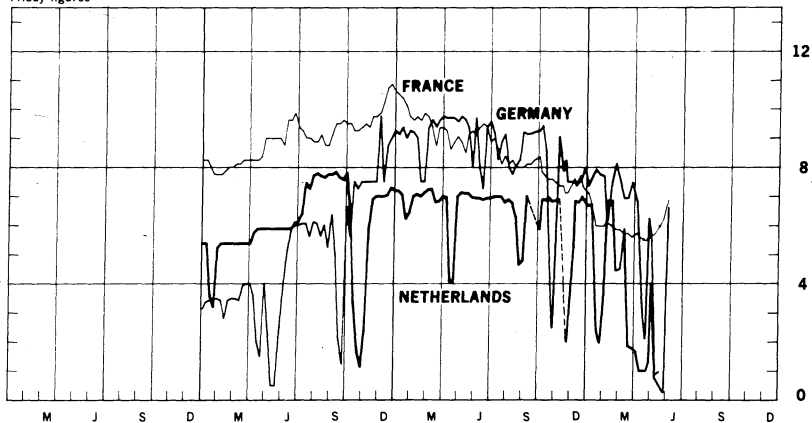
Per cent per annum



SELECTED EEC CURRENCIES**

Friday figures

Per cent per annum



1968

1969

1970

1971

* Japan, Unconditional Money; U.K., 2-day Local Authority Deposits; Canada, Day-to-day Loans, weekly average.

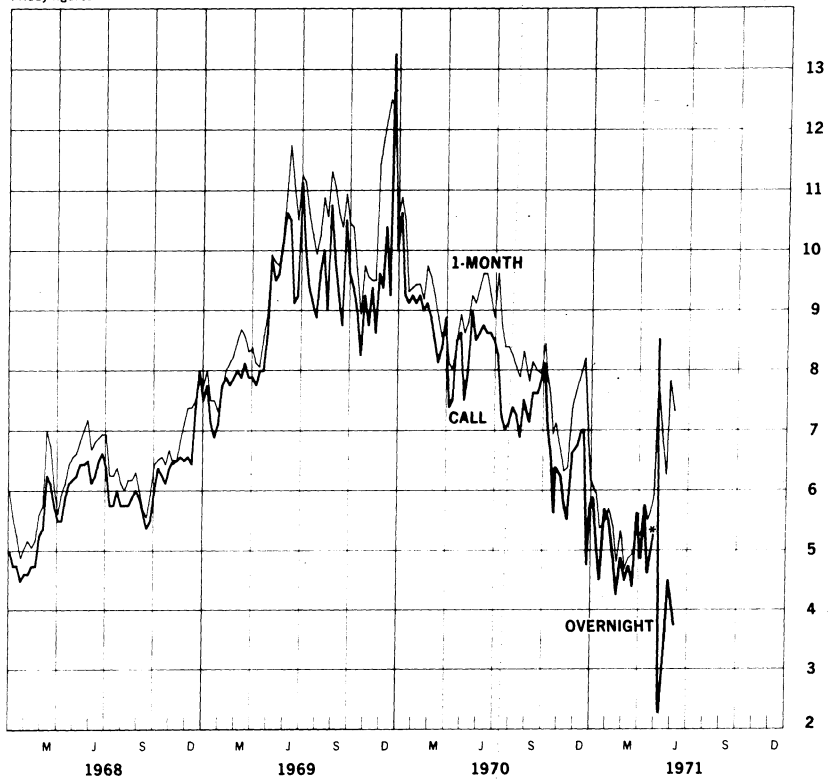
** Germany, Call Money; France, Day-to-day Money; Netherlands, Call Money, weekly average.

Chart 6A

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



* May 12/71—changed to Overnight Euro-Dollar Deposits

Chart 6B

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



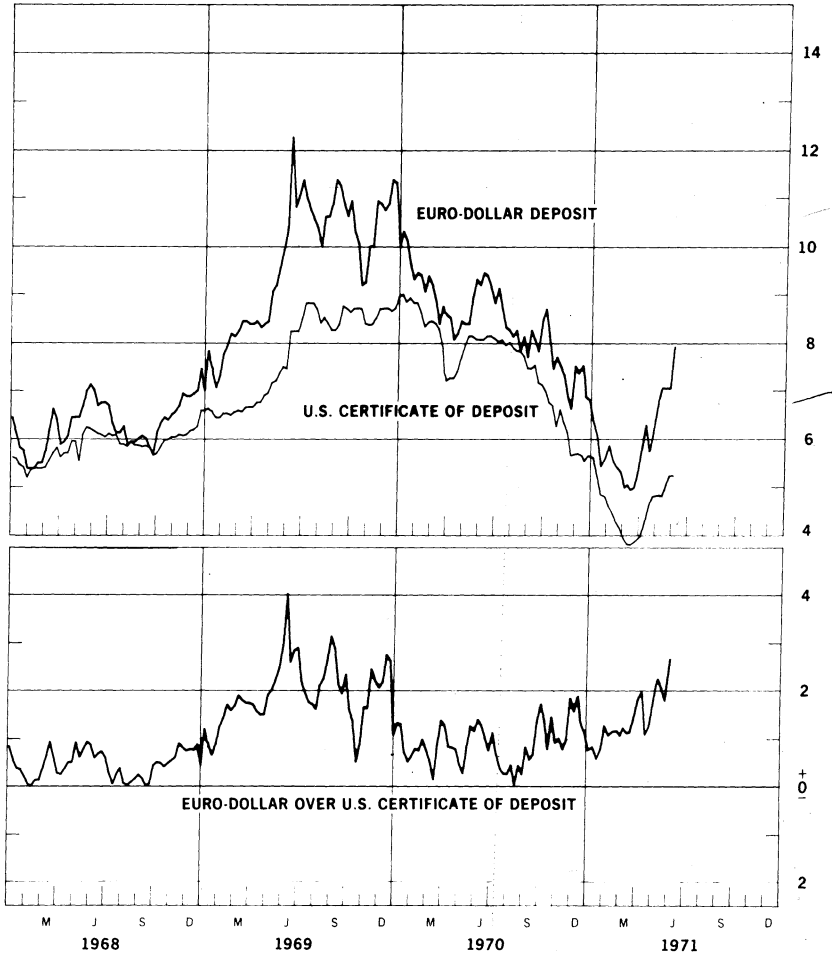
Chart 7A

NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET

Wednesday figures

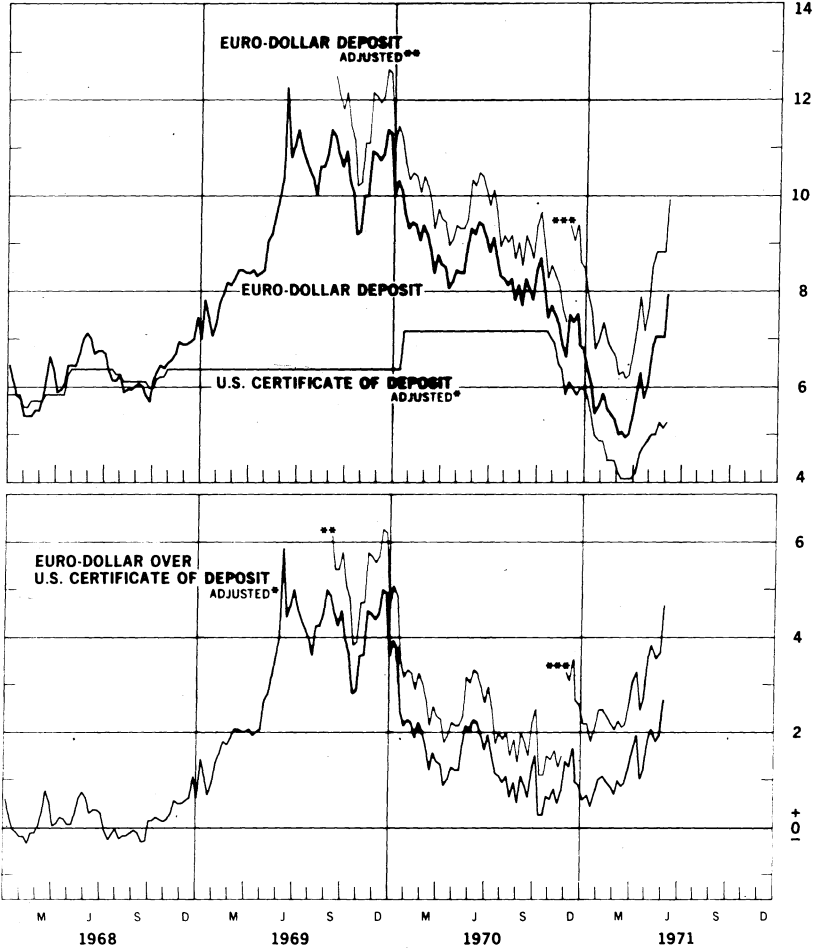
Per cent per annum



NEW YORK-LONDON: COSTS OF U.S. DOLLAR FUNDS

3-MONTH DOLLAR DEPOSIT RATES—PRIMARY MARKET
 Wednesday figures

Per cent per annum



* Adjusted for Reserve Requirement
 ** Adjusted for 10% Marginal Reserve Requirement
 *** Adjusted for 20% Marginal Reserve Requirement

Chart 8A

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

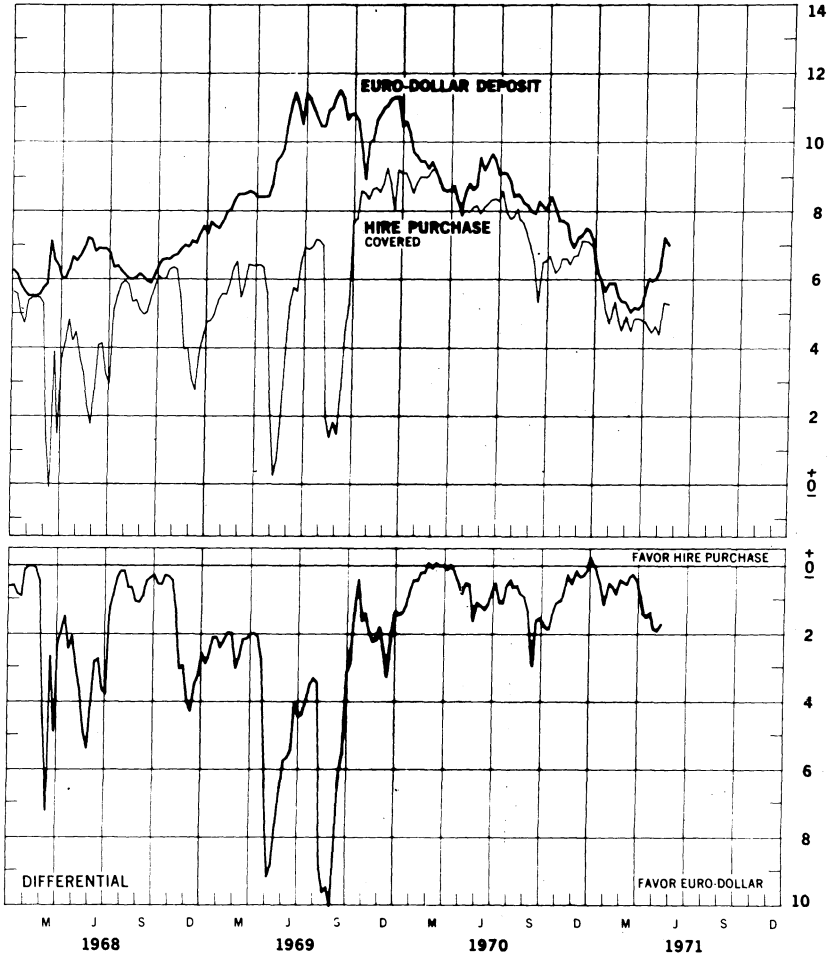


Chart 8B

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

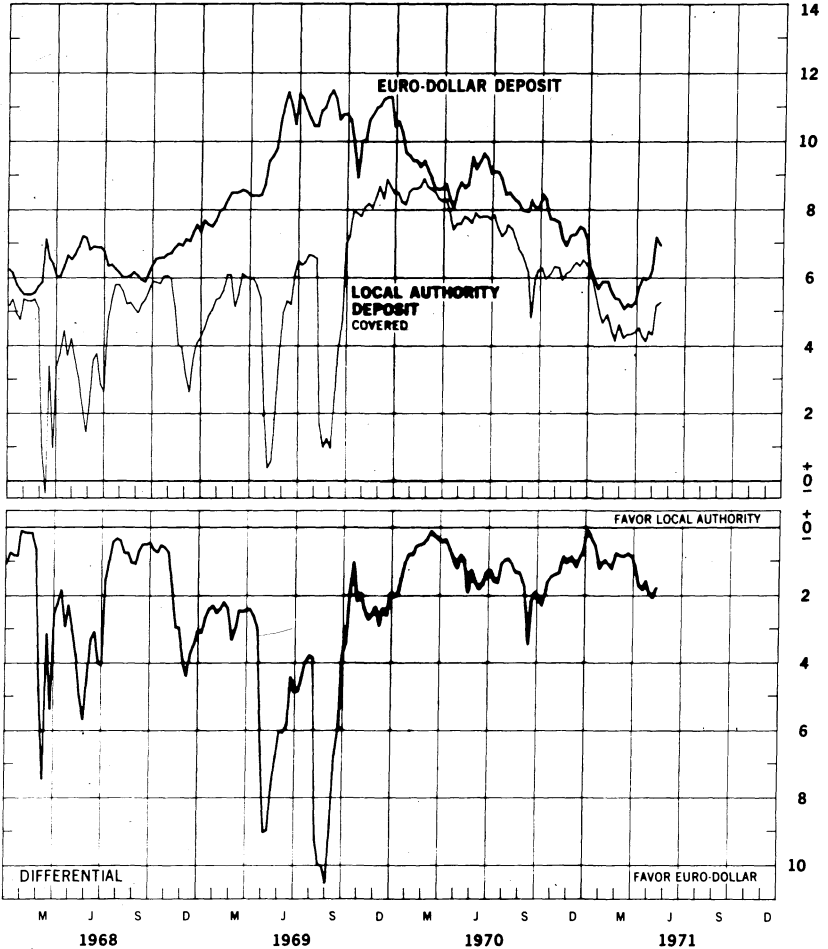
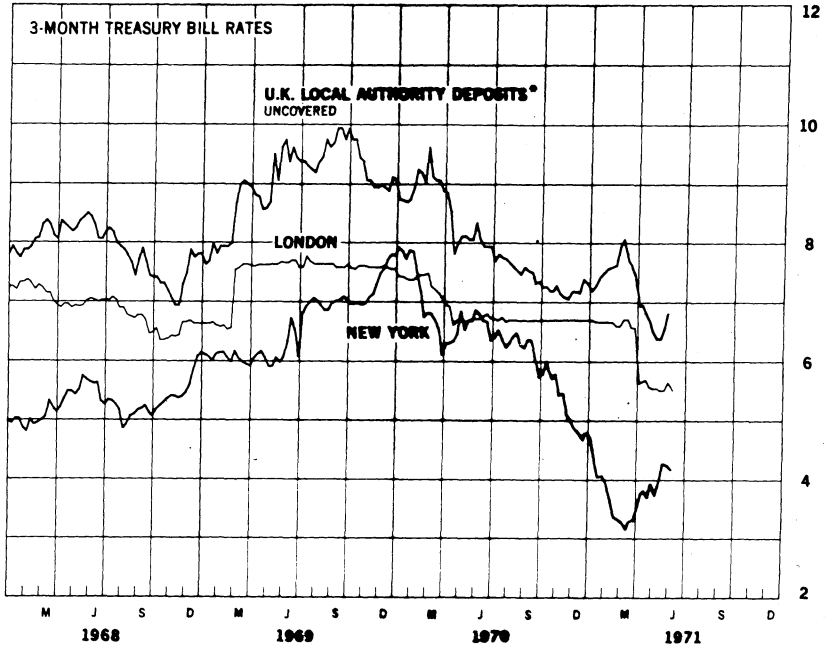


Chart 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures



* Plotted for comparison purposes

Chart 9B

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

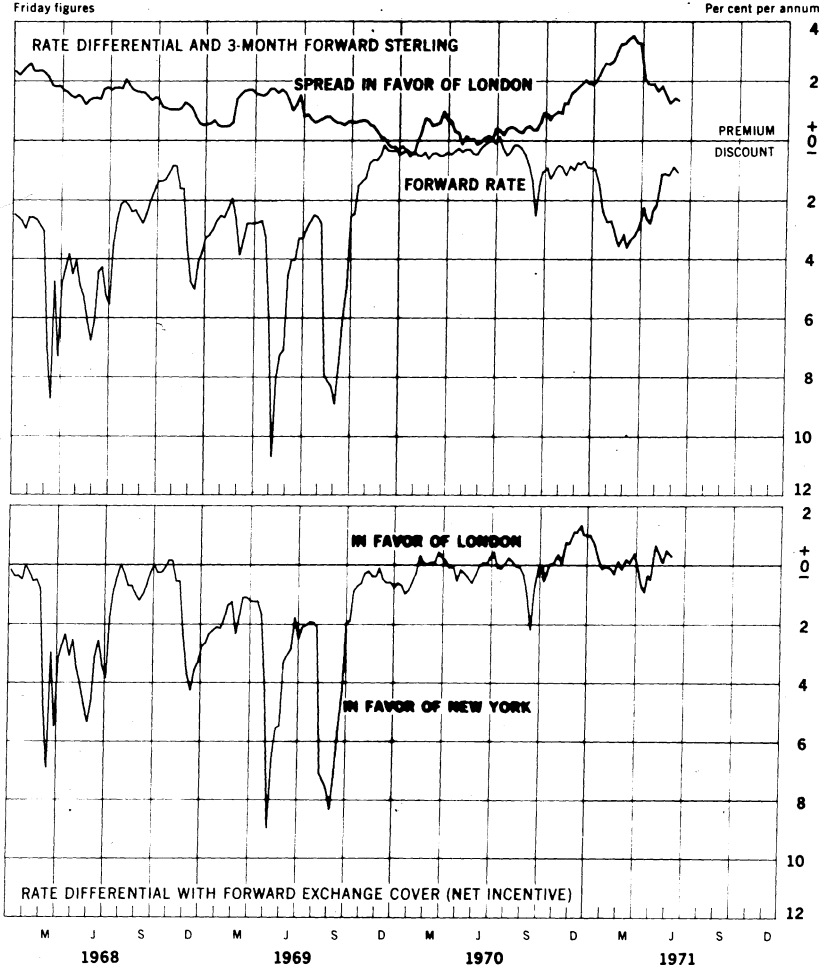


Chart 10A

3-MONTH FUNDS INTEREST ARBITRAGE: EURO-DOLLAR - GERMAN MARK

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

Per cent per annum

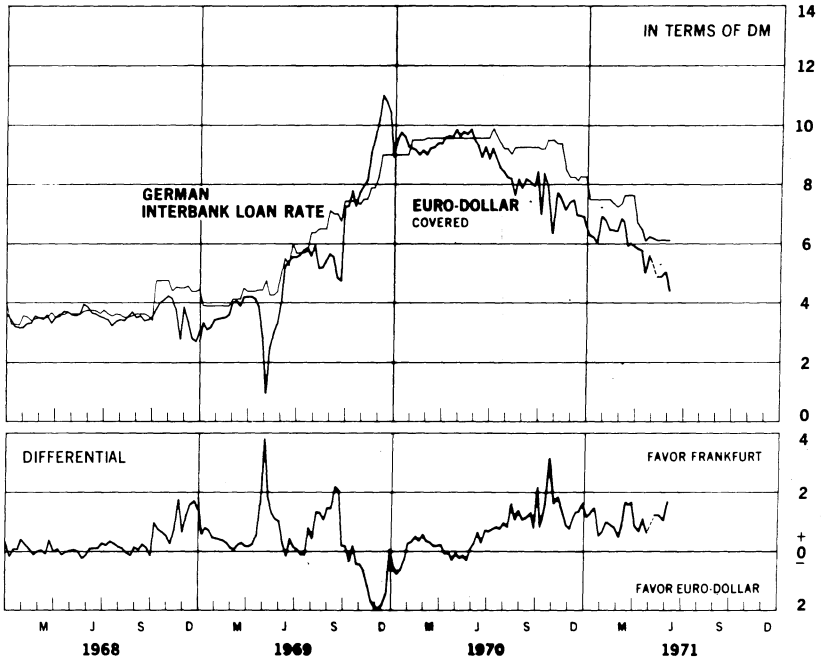


Chart 10B

3-MONTH FUNDS INTEREST ARBITRAGE: EURO-DOLLAR - SWISS FRANC

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

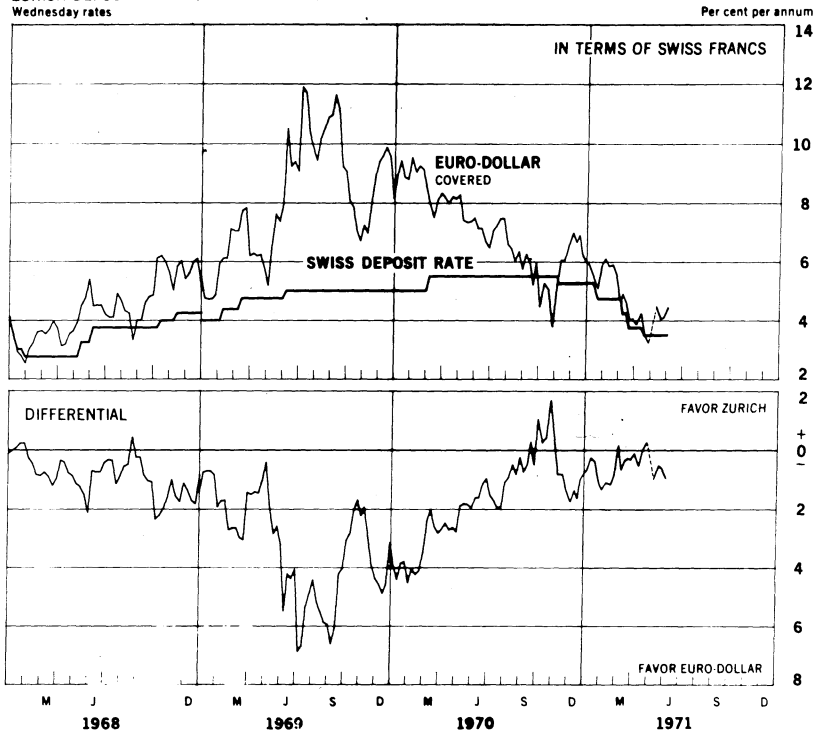
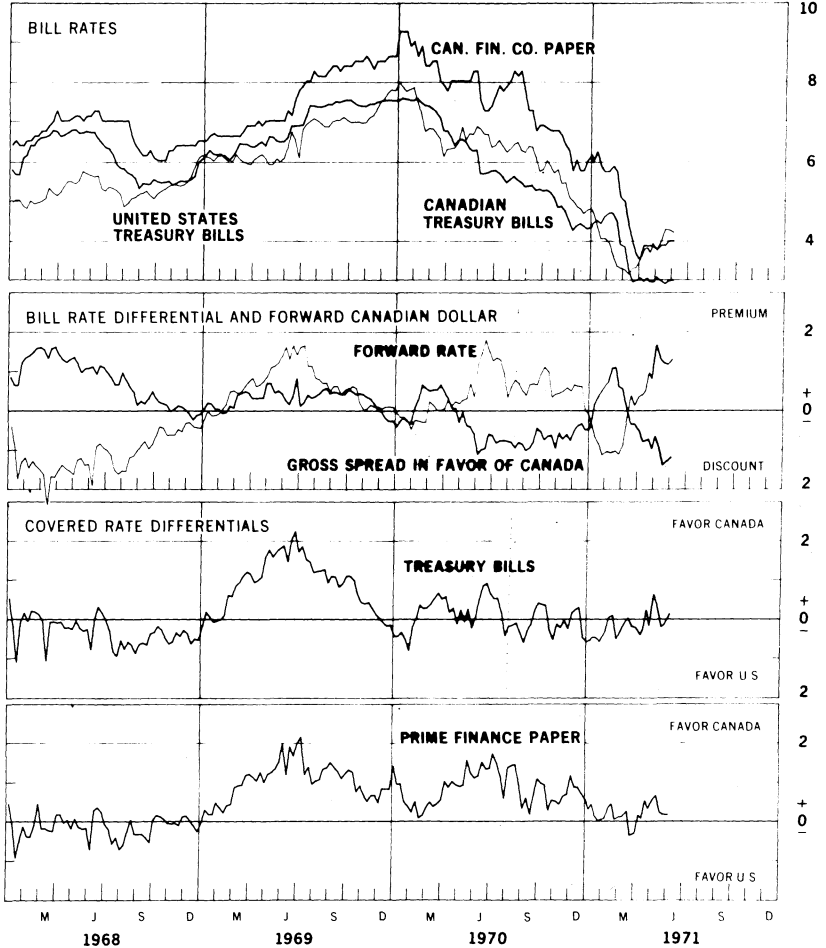


Chart 11

3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

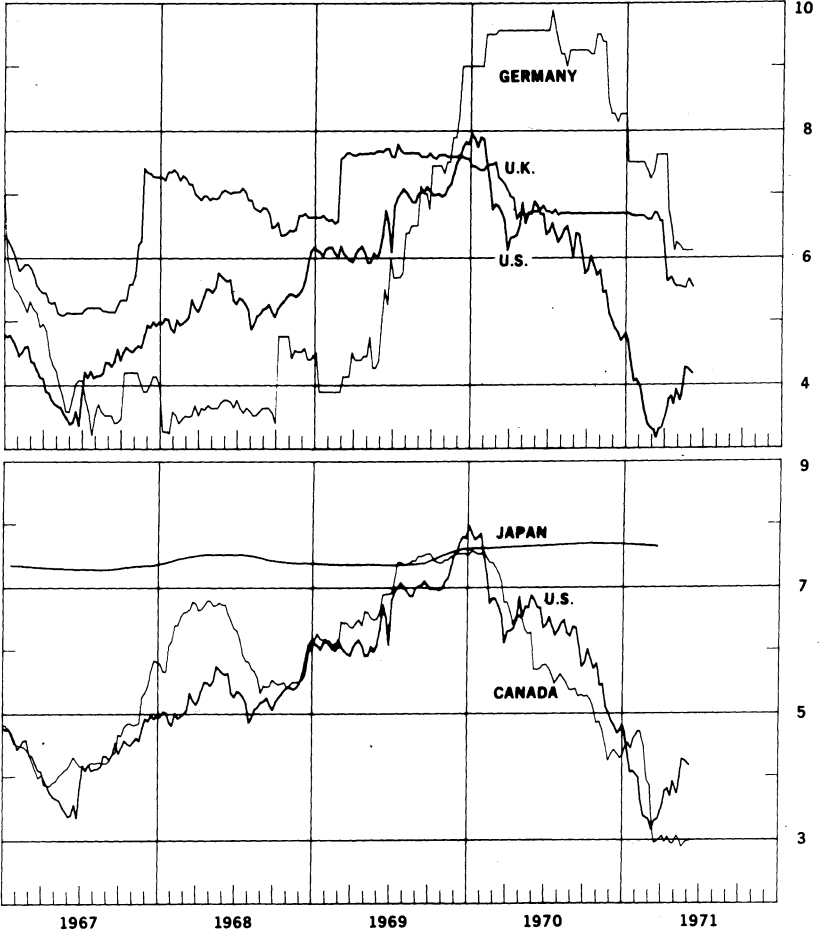
Friday figures

Per cent per annum



SELECTED SHORT-TERM INTEREST RATES*

Per cent per annum

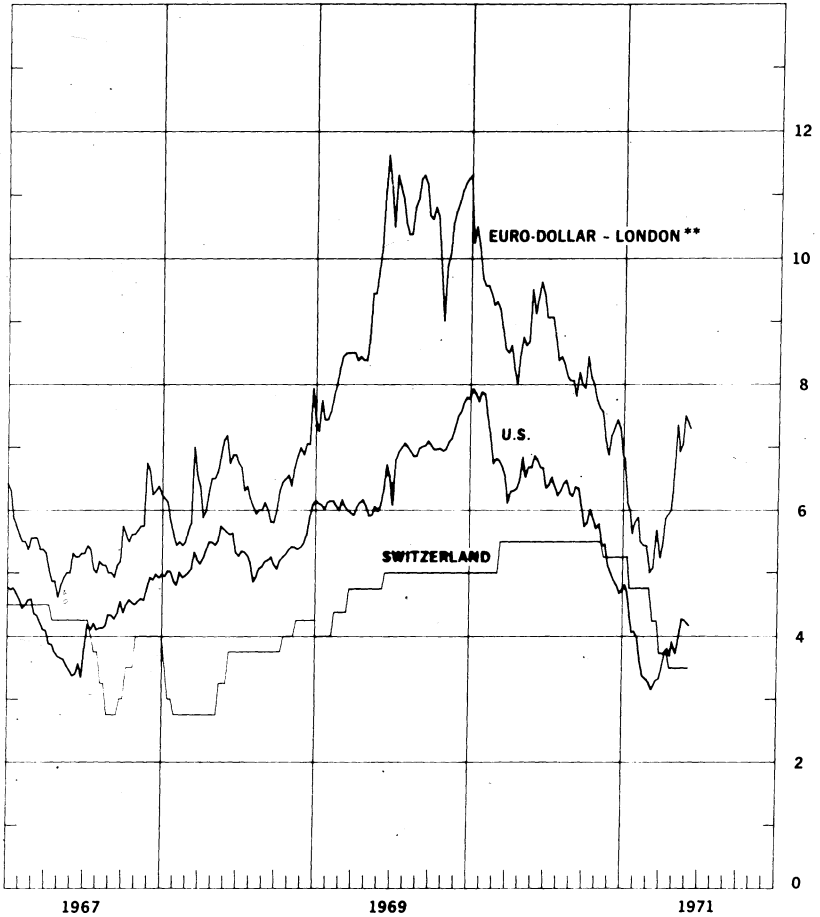


*3-month treasury bill rates for all countries except Japan(Average rate on bank loans and discounts) and Germany(Interbank Loan Rate)

Chart 12B

SELECTED SHORT-TERM INTEREST RATES *

Per cent per annum



* 3 month treasury bill rate for U.S. Switzerland—3 month deposit rate.
** 3 month rate for U.S. dollar deposits in London.

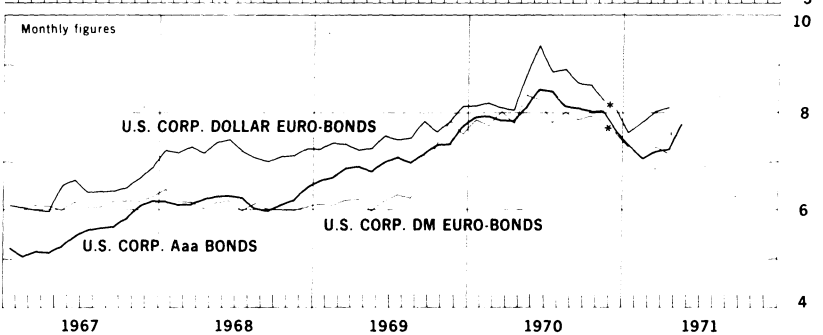
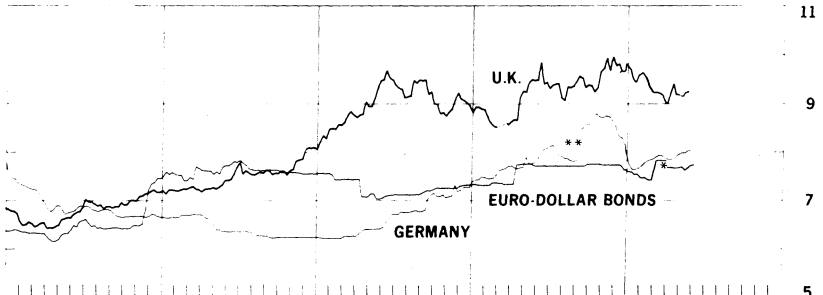
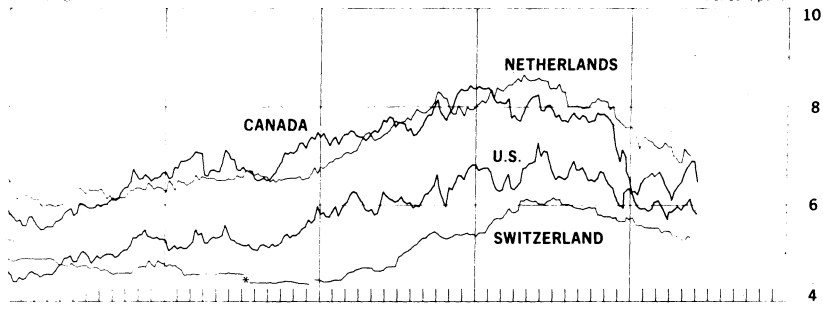
25

Chart 13

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



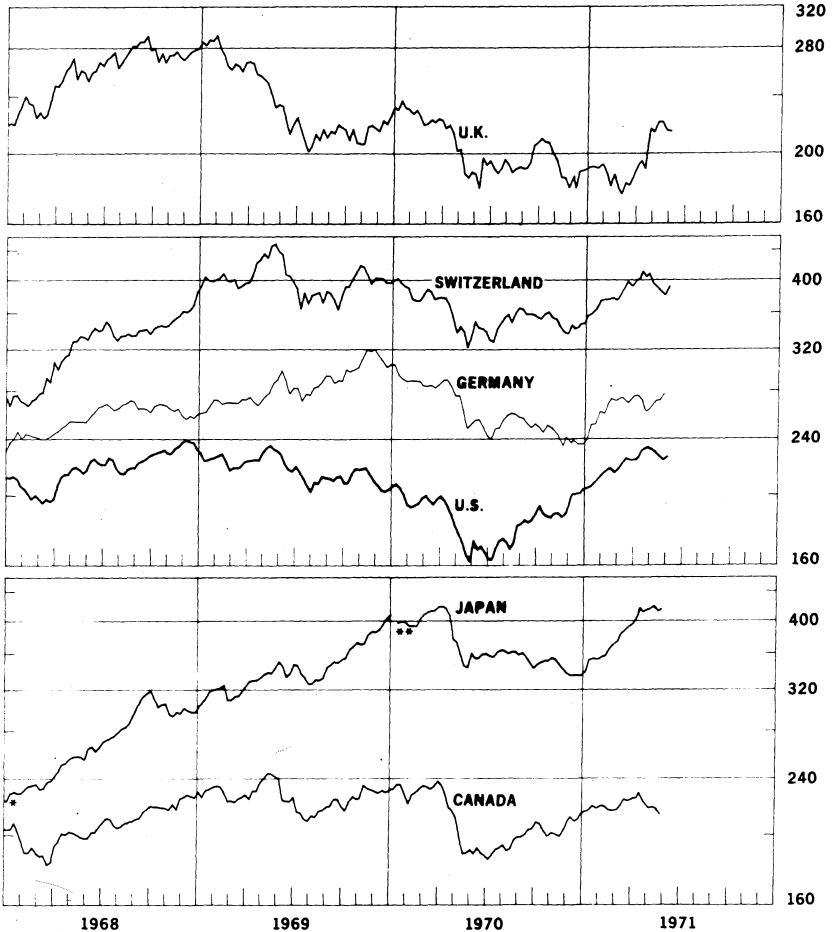
* New series for Switzerland starts 8 2 68. U.S. Corp. Dollar Euro Bonds and U.S. Corp. DM Euro Bonds starts 12 70. Euro Dollar Bonds start 4 2 71

** New Average yield of all German P.A. Bonds begins 9 4 70

CHART 14

INDUSTRIAL STOCK INDICES

1958=100
Ratio scale



* Japan index of 225 industrial and other stocks traded on the Tokyo exchange.

** Japan index of all industrial and other stocks traded on the first section of the Tokyo Stock Exchange.

H. 13
No. 509

IV. SELECTED CENTRAL BANK DISCOUNT RATES

| Country | Current Rate | In Effect Since | Previous Rate | In Effect Since |
|----------------|--------------|-----------------|---------------|-----------------|
| E.E.C.: | | | | |
| Belgium | 6.0 | Mar. 25, 1971 | 6.5 | Dec. 10, 1970 |
| France | 6.75 | May 13, 1971 | 6.5 | Jan. 8, 1971 |
| Germany | 5.0 | Apr. 1, 1971 | 6.0 | Dec. 3, 1970 |
| Italy | 5.0 | Apr. 5, 1971 | 5.5 | Mar. 9, 1970 |
| Netherlands | 5.5 | Apr. 5, 1971 | 6.0 | Aug. 4, 1969 |
| | | | | |
| Switzerland | 3.75 | Sept. 15, 1969 | 3.0 | July 10, 1967 |
| United Kingdom | 6.0 | Apr. 1, 1971 | 7.0 | Apr. 15, 1970 |
| | | | | |
| Canada | 5.25 | Feb. 24, 1971 | 5.75 | Feb. 15, 1971 |
| Japan | 5.5 | May 8, 1971 | 5.75 | Jan. 20, 1971 |
| | | | | |
| United States | 4.75 | Feb. 13, 1971 | 5.0 | Jan. 19, 1971 |

LATEST FIGURES PLOTTED ON THE CHARTS

| Chart | Panel | Series | Date | Rate |
|-------|----------------|--|--------|---------------------------|
| 1A | Upper | Swiss franc | June 4 | - 0.322 |
| | | U.K. pound | June 4 | + 0.740 |
| | Lower | French franc | June 4 | + 0.349 |
| | | Japanese yen | | |
| | | | | |
| 1B | | Belgian franc | June 4 | + 0.713 |
| | | Italian lire | " | + 0.064 |
| | | * See Appendix for back data | | |
| 2A | | German mark | June 4 | + 2.99 |
| | | Swiss franc | " | + 2.74 |
| | | U.K. pound | " | - 0.92 |
| 2B | | Dutch guilder | " | + 2.70 |
| | | Canadian dollar | " | + 1.36 |
| | | French franc | " | + 0.41 |
| 3A | | German mark | " | + 3.40 |
| | | U.S. dollar | " | + 0.98 |
| 3B | | Swiss franc | " | + 2.77 |
| | | French franc | " | + 1.16 |
| 4 | | Gold price, U.S. dollar per ounce | June 4 | 40.66 |
| 5A | Upper | ** Overnight Euro-\$ deposits ^{May 12 - 19 - 26 - June 2} | | 8.40r-4.77c 5.23r-6.10 |
| | | Federal Funds | June 2 | 4.82 |
| | Lower | Differential | " | + 1.28 |
| | | Euro-currencies: Euro \$ | June 4 | 8.33 |
| | | Euro DM | " | 0.83 |
| | Euro Swiss Fr. | " | 0.83 | |
| 5B | Upper | Japan, Unconditional Money | May 28 | 6.50 |
| | | U.K., 2-day Local Author. Depts. | May 21 | 6.50 |
| | | Canada, Day-to-day Loans | June 3 | 2.70 |
| Lower | | France, Day-to-Day Money | " 4 | 6.88 |
| | | Germany, Call Money | " 4 | 6.62 |
| | | Netherlands, Call Money | May 21 | 0.97 |
| | | | | |

* 1B

U.S. Cents

Canadian dollar

German mark

Dutch guilder

June 4

98.48

28.23

28.11

** May 7/21 -- Call Euro-\$ changed to Overnight Euro-\$.

| Chart | Panel | Series | Date | Rate |
|-------|-------|--|-------------------------|--------------------|
| 6A | | Euro-\$ Overnight Rate | May 21 May 28 June 4 | 2.25 3.50r 3.75 |
| | | Euro-\$ 1-month Rate | June 4 | 7.31 |
| 6B | | Euro-\$ 3-month Rate | " | 7.31 |
| | | Euro-\$ 6-month Rate | " | 7.31 |
| 7A | Upper | Euro-\$ 3-month Deposits | June 2 | 7.94 |
| | | U.S. Certificate of Deposits | " | 5.26 |
| | Lower | Differential | " | + 2.68 |
| 7B | Upper | Euro-\$ 3-month Deposits | " | 7.94 |
| | | Euro-\$ 3-month Deposits (Adj.) | " | 9.92 |
| | | U.S. Certificate of Deposits (Adj.) | " | 5.26 |
| | Lower | Differential: on Adj. Euro-\$ Deposits | " | + 4.66 |
| | | on Unadj. Euro-\$ Deposits | " | + 2.68 |
| 8A | Upper | Euro-\$ 3-month Deposits | May 14 | 7.00 |
| | | Hire Purchase Deposits (covered) | " | 5.30 |
| | Lower | Differential | " | - 1.70 |
| 8B | Upper | Euro-\$ 3-month Deposits | " | 7.00 |
| | | Local Authority Deposits (covered) | " | 5.24 |
| | Lower | Differential | " | - 1.76 |
| 9A | | U.S. Treasury Bill rate | June 4 | 4.18 |
| | | U.K. Treasury Bill rate | June 4 | 5.52 |
| | | Local Authority Deposit (uncovered) | May 28 | 6.81 |
| 9B | Upper | Spread (+= favor London) | June 4 | + 1.34 |
| | | 3-month Forward Pound | " | - 1.06 |
| | Lower | Net Incentive (+= favor London) | " | + 0.28 |

* May 7/21 -- Call changed to Overnight Euro-\$.

| Chart | Panel | Series | Date | Rate |
|-------|--------|---|--------|--------|
| 10A | Upper | Euro- $\text{\$}$ Deposits (covered) | June 2 | 4.40 |
| | | German Interbank Loan rate | " | 6.12 |
| | Lower | Differential | " | + 1.72 |
| 10B | Upper | Euro- $\text{\$}$ Deposits (covered) | " | 4.44 |
| | | Swiss Deposit rate | " | 3.50 |
| | Lower | Differential | " | - 0.94 |
| 11 | Upper | Canadian Finance Paper | June 4 | 4.00 |
| | | U.S. Treasury Bill rate | " | 4.18 |
| | | Canadian Treasury Bill rate | " | 2.99 |
| | | U.S. Prime Finance paper (not plotted) | " | 5.13 |
| | Second | Bill rate differential | " | - 1.19 |
| | | Forward Canadian dollar | " | + 1.30 |
| | Third | Net incentive on bills | " | + 0.11 |
| | Bottom | Net incentive on Finance Paper | " | + 0.17 |
| 12A | Upper | U.K. Treasury Bill rate | June 4 | 5.52 |
| | | U.S. Treasury Bill rate | " | 4.18 |
| | | German Interbank Loan rate | " | 7.31 |
| | Lower | Japanese Average rate | March | 7.663 |
| | | Canadian Treasury Bill rate | June 4 | 2.99 |
| | | U.S. Treasury Bill rate | " | 4.18 |
| 12B | | Euro- $\text{\$}$ Deposits | " | 7.31 |
| | | Swiss 3-month Deposit rate | " | 3.50 |
| | | U.S. Treasury Bill rate | " | 4.18 |

| Chart | Panel | Series | Date | Rate |
|-------|--------|------------------------------|--------|--------|
| 13 | Upper | Netherlands | May 21 | 6.99 |
| | | Canada | June 4 | 6.44 |
| | | United States | June 2 | 5.78 |
| | | Switzerland | May 19 | 5.32 |
| | Middle | * Germany | " 28 | 8.04 |
| | | United Kingdom | " 21 | 9.26 |
| | | Euro-dollar bonds | June 4 | 7.76 |
| | Lower | U.S. Corp. Dollar Euro-bonds | April | 6.12 |
| | | U.S. Corp. DM Euro-bonds | " | 7.17 |
| | | U.S. Corp. Aaa bonds | June 4 | 7.78 |
| 14 | Upper | Switzerland | June 4 | 391.7 |
| | | Germany | May 28 | 277.20 |
| | | United States | June 4 | 226.80 |
| | Middle | United Kingdom | " | 214.92 |
| | | Canada | May 27 | 214.72 |
| | Lower | ** Japan | June 4 | 413.50 |
| | | United States | " | 226.80 |

* New -- Average yield of ALL German Public Authorities bonds made as of banking key days.

** Beginning week ended September 5, 1970, the Japanese index plotted is that of all industrial and other stocks on the First Section of the Tokyo Stock Exchange.

APPENDIX

The following exchange rate data are now included in the H.13 series of charts:

Chart 1B

Two panels have been added showing exchange rates for currencies not supported by central banks:

- a) Canadian dollar, starting June 1, 1970;
- b) German mark and Dutch guilder, starting May 10, 1971.

The rates of these currencies are expressed in U.S. cents per unit of foreign currency and are weekly averages of daily certified noon rates in New York.

Source is Federal Reserve Bank of New York.

H.13 Data for all points plotted on new panels
(U.S. cents)

| <u>H.13 issue dates</u> | <u>Canadian dollar*</u> | <u>H.13 issue dates</u> | <u>Canadian dollar*</u> | <u>German mark**</u> | <u>Netherlands guilder**</u> |
|-------------------------|-------------------------|-------------------------|-------------------------|----------------------|------------------------------|
| <u>1970</u> | | <u>1970</u> | | | |
| June 5 | 96.8 | Dec. 4 | 98.0 | | |
| 12 | 96.2 | 11 | 98.0 | | |
| 19 | 95.7 | 18 | 98.1 | | |
| 26 | 96.2 | 25 | 98.5 | | |
| July 3 | 96.7 | <u>1971</u> | | | |
| 10 | 96.7 | Jan. 1 | 98.9 | | |
| 17 | 96.7 | 8 | 98.8 | | |
| 24 | 96.9 | 15 | 98.7 | | |
| 31 | 97.3 | 22 | 98.9 | | |
| | | 29 | 99.0 | | |
| Aug. 7 | 97.7 | Feb. 5 | 99.2 | | |
| 14 | 97.6 | 12 | 99.2 | | |
| 21 | 98.1 | 19 | 99.2 | | |
| 28 | 98.1 | 26 | 99.4 | | |
| Sept. 5 | 98.2 | Mar. 5 | 99.3 | | |
| 12 | 98.4 | 12 | 99.6 | | |
| 19 | 98.8 | 19 | 99.4 | | |
| 26 | 98.4 | 26 | 99.2 | | |
| Oct. 2 | 98.1 | Apr. 2 | 99.2 | | |
| 9 | 97.8 | 9 | 99.3 | | |
| 16 | 97.7 | 16 | 99.3 | | |
| 23 | 97.9 | 23 | 99.2 | | |
| 30 | 98.0 | 30 | 99.1 | | |
| Nov. 6 | 98.0 | May 7 | 99.2 | | |
| 13 | 97.9 | 14 | 99.2 | 28.15 | 28.18 |
| 20 | 98.0 | 21 | 99.1 | 28.36 | 28.23 |
| 27 | 98.2 | 28 | 99.1 | 28.27 | 28.14 |

* - Floated June 1, 1970.

** - Floated May 10, 1971.